

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FRANCHISE GROUP, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-12480 (JTD)

(Jointly Administered)

**DECLARATION OF ERIN M. SMITH IN SUPPORT OF THE AD HOC GROUP
OF FREEDOM LENDERS' REPLY IN SUPPORT OF THEIR EMERGENCY
MOTION FOR ENTRY OF AN ORDER (I) ADJOURNING THE SECOND DAY
HEARING SET FOR DECEMBER 10, 2024, (II) EXTENDING THE OBJECTION
DEADLINES IN CONNECTION WITH THE SECOND DAY HEARING
AND (III) GRANTING RELATED RELIEF**

¹ The debtors in these Chapter 11 Cases (the “**Debtors**”), along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), B. Riley Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home and Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy’s Newco, LLC (5404), Buddy’s Franchising and Licensing, LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260); Franchise Group Newco BHF, LLC (4123); Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies “Plus”, LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors’ headquarters is located at 109 Innovation Court, Suite J, Delaware, Ohio 43015.

I, Erin M. Smith, declare pursuant to 28 U.S.C. § 1746 as follows:

1. I am an associate at White & Case LLP and counsel for the Ad Hoc Group of Freedom Lenders (the “**Freedom Lender Group**”)² in the above-captioned cases. I offer this declaration in support of *The Ad Hoc Group of Freedom Lender’s Reply in Support of their Emergency Motion for Entry of an Order (I) Adjourning the Second Day Hearing Set for December 10, 2024, (II) Extending the Objection Deadlines in Connection with the Second Day Hearing and (III) Granting Related Relief* (the “**Reply**”). This declaration is based on my personal knowledge and upon my review of the records of this and related matters.

2. Attached as **Exhibit 1** is a true and correct copy of the *Ad Hoc Group of Freedom Lenders’ First Requests for the Production of Documents to the HoldCo Debtors in Connection with the Second-Day Motions*, dated November 8, 2024.

3. Attached as **Exhibit 2** is a true and correct copy of letter from J. Dugan to S. Hershey, dated December 5, 2024.

4. Attached as **Exhibit 3** is a true and correct copy of a search protocol provided by counsel for the Debtors to counsel for the Freedom Lender Group, attached as Exhibit E to the *Debtors’ Objection to the Ad Hoc Group of Freedom Lenders’ Emergency Motion for Entry of an Order (I) Adjourning the Second Day Hearing Set for December 10, 2024, (II) Extending the Objection Deadlines in Connection with the Second Day Hearing and (III) Granting Related Relief* [D.I. 297-1] (the “**Objection**”).

5. Attached as **Exhibit 4** is a true and correct copy of email correspondence, dated November 25, 2024, between counsel for the Freedom Lender Group and counsel for the Debtors, attached as Exhibit F to the Objection.

² The Freedom Lender Group is comprised of the entities named in the *Verified Statement of the Ad Hoc Group of Freedom Lenders Pursuant to Rule 2019 of the Federal Rules of Bankruptcy Procedure* [Docket No. 229], as it may be amended and supplemented from time to time.

6. Attached as **Exhibit 5** is a true and correct copy of email correspondence, dated December 5, 2024, between counsel for the Freedom Lender Group and counsel for the Debtors.

7. Attached as **Exhibit 6** is a true and correct copy of email correspondence, dated December 5, 2024, between counsel for the Freedom Lender Group and counsel for the Debtors.

8. Attached as **Exhibit 7** is a true and correct copy of the *Ad Hoc Group of Freedom Lenders' First Set of Interrogatories to the HoldCo Debtors in Connection with the Second-Day Motions*, dated November 8, 2024.

Dated: December 6, 2024
New York, New York

/s/Erin M. Smith

WHITE & CASE LLP

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